

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 77270 / March 1, 2016

ADMINISTRATIVE PROCEEDING
File No. 3-17146

In the Matter of

JANICE D. REY,

Respondent.

ORDER INSTITUTING ADMINISTRATIVE PROCEEDINGS PURSUANT TO SECTION 15(b) OF THE SECURITIES EXCHANGE ACT OF 1934, AND NOTICE OF HEARING

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”), against Janice D. Rey (“Respondent” or “Rey”).

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENT

1. From July 2005 through May 2009, Respondent was an owner and the chief operating officer of Paramount Group LLC (“Paramount”), a purported investment vehicle that Respondent and Devon C. McLean (“McLean”) set up to operate as a Ponzi investment scheme in St. Thomas, U.S. Virgin Islands. During the time in which she engaged in the conduct underlying the superseding indictment described below, Rey acted as an unregistered broker-dealer. Respondent, 53 years old, was a resident of St. Thomas, U.S. Virgin Islands and is currently incarcerated.

B. RESPONDENT’S CRIMINAL CONVICTION

2. On April 4, 2013, a federal jury in the District Court of the Virgin Islands

convicted Rey of all counts of a second superseding indictment, namely, federal charges consisting of one count of conspiracy, 8 counts of wire fraud, and 43 counts of money laundering, in violation of Title 18, United States Code, Sections 1349, 1343, 1956, and 1957, and 4 counts of tax evasion under Virgin Islands law, in violation of Title 33, Virgin Islands Code, Section 1521. *United States v. Janice Dorette Rey and Devon McLean*, Crim. No. 3:11-CR-00038. On October 27, 2015, an amended judgment in the criminal case was entered against Rey. She was sentenced to a prison term of 125 months followed by three years of supervised release, and the court ordered her to make restitution in the amount of \$3,006,260 and entered a forfeiture money judgment against her in the amount of \$5.5 million.

3. The second superseding indictment alleged, among other things, that from July 2005 through May 2009, Rey conspired with McLean to run a Ponzi investment scheme. Respondent and McLean defrauded potential investors in Paramount by falsely claiming that by pooling investors' money, Rey was able to make highly profitable securities available to potential investors; that Paramount was part of Haliburton Co.; that investments with Paramount were safe; that Paramount was trading in currencies, commodities, and rubies; that investors would double their money in less than a year; that invested money would be loaned to companies that would pay high interest rates to Paramount; that Paramount was approved by the Federal Reserve; and that many prominent individuals were associated with Paramount, such as then Vice President Dick Cheney. McLean and Rey did not use investors' funds in the manner represented, but used the money instead to pay promised returns to earlier investors and for the personal use and benefit of McLean and Rey. Rey opened a store front location called "Rey Financial" to attract investors to Paramount, where she regularly and routinely met with investors. Rey also managed a group of sales agents for Paramount. The indictment further alleged that Rey and McLean used interstate wire communications to execute the foregoing scheme to defraud and laundered the proceeds of the fraud, and that Rey evaded taxes owing to the United States Virgin Islands.

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative proceedings be instituted to determine:

- A. Whether the allegations set forth in Section II hereof are true and, in connection therewith, to afford Rey an opportunity to establish any defenses to such allegations; and
- B. What, if any, remedial action is appropriate in the public interest against Rey pursuant to Section 15(b)(6) of the Exchange Act.

IV.

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened at a time and place to be fixed, and before an

Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondent shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If Respondent fails to file the directed answer, or fails to appear at a hearing after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against him upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f) and 201.310.

This Order shall be served forthwith upon Respondent as provided for in the Commission's Rules of Practice.

This Order shall be served upon Rey as provided for in Rule 141(a)(2)(iv) of the Commission's Rules of Practice, 17 C.F.R § 201.141(a)(2)(iv), by any method specified in paragraph (a)(2) of that rule, or by any other method reasonably calculated to give notice, provided that the method of service used is not prohibited by the law of the foreign country where Rey may be found.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 210 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

By the Commission.

Brent J. Fields
Secretary